

## Fiscal Note

*Fiscal Services Division*



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**HF 427** – School Budget Enrollments, Disaster Affected Areas (LSB 2473HH)  
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Fiscal Note Version – New  
Requested by Representative Todd E. Taylor

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### **Description**

**House File 427** permits school districts to use the previous year's enrollment for the FY 2010 budget year, if they were significantly impacted by presidentially-declared natural disasters during the spring and summer months of 2008 and had enrollment declines between October 2007 and October 2008.

### **Background**

Following the natural disasters of 2008, the Department of Education surveyed school districts and identified 66 school districts that were significantly impacted. Of those 66 school districts, 48 school districts reported a decrease in enrollment between October 2007 and October 2008.

### **Assumptions**

- Of the 66 school districts identified in the survey, 48 had enrollment decreases between October 2007 and October 2008 and would be eligible to use the previous year's budget enrollment. The estimated total budget enrollment increase totals 1,795.
- Of these 48 school districts, 25 would have been eligible to receive budget guarantee funding under current law, but will not be eligible under HF 427. This is estimated to reduce the budget guarantee total by \$1.7 million.
- The FY 2010 property tax adjustment aid totals \$24.0 million. Fifteen of the disaster-eligible school districts will impact the overall distribution of the property tax adjustment aid resulting in a reduction of approximately \$400,000 that would have been distributed to other districts under current law.
- The fiscal estimate is based on 48 school districts eligible under HF 427. If there are additional school districts eligible, the estimated fiscal impact will increase.
- There may be an impact on the overall distribution of State aid for the Instructional Support Program allocated to school districts, but the Statewide total will not be impacted.

### **Fiscal Impact**

The fiscal impact of HF 427 will occur in FY 2010. The Statewide estimated impact will be an increase in General Fund expenditures to fund State school aid of approximately \$9.4 million. The 48 disaster-area-eligible school districts would receive approximately \$9.8 million in additional State aid. Overall, the combined district cost (State aid and property tax) for the eligible districts will increase approximately \$9.3 million.

### FY 2010 Estimated Statewide Impact

	<b>Budget Enrollment</b>	<b>Total State Aid Amount</b>	<b>Total School Foundation Property Tax Amount</b>	<b>Total Budget Guarantee Amount</b>	<b>Total Combined District Cost Amount</b>
Current Law Estimate	477,019.0	\$ 2,314,409,203	\$ 1,221,926,173	\$ 11,536,876	\$ 3,502,598,161
HF 427 Estimate	478,814.2	\$ 2,323,828,391	\$ 1,221,763,709	\$ 9,810,999	\$ 3,511,854,884
<b>Estimated Impact</b>	<b>1,795.2</b>	<b>\$ 9,419,188</b>	<b>\$ -162,464</b>	<b>\$ -1,725,877</b>	<b>\$ 9,256,723</b>
Estimated Number of Districts Directly Impacted:			48		

### Sources

Iowa Department of Education  
Iowa Department of Management, School Aid file.  
LSA Calculations

/s/ Holly M. Lyons

March 10, 2009

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to [Section 2.56](#), Code of Iowa. Data used in developing this fiscal note, including correctional and minority impact information, is available from the Fiscal Services Division of the Legislative Services Agency upon request.